

**GENERAL ASSEMBLY OF NORTH CAROLINA**

**SESSION 1991**

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HOUSE BILL 1084  
Committee Substitute Favorable 7/3/91

Short Title: Developmental Lending Study.

(Public)

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Sponsors:

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Referred to:

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April 24, 1991

A BILL TO BE ENTITLED

1 AN ACT TO AUTHORIZE THE LEGISLATIVE RESEARCH COMMISSION TO  
2 STUDY WAYS FINANCIAL INSTITUTIONS, COMMUNITY  
3 ORGANIZATIONS, AND LOCAL GOVERNMENTS CAN COOPERATIVELY  
4 WORK TO INCREASE DEVELOPMENTAL LENDING THAT STRENGTHENS  
5 LOW AND MODERATE INCOME COMMUNITIES IN NORTH CAROLINA.  
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7 Whereas, developmental lending plays an essential role in building and  
8 revitalizing low and moderate income communities;

9 Whereas, as federal programs to support developmental lending disappear,  
10 state and local governments are increasingly interested in leveraging their limited  
11 financial resources; and

12 Whereas, financial institutions in North Carolina are working cooperatively  
13 with local governments, State government, and community organizations to strengthen  
14 the capacity of financial institutions for risk management, marketing, staff expertise,  
15 liquidity, public partnerships, and private partnerships to promote developmental  
16 lending; Now, therefore,

17 The General Assembly of North Carolina enacts:

18 Section 1. The Legislative Research Commission may study ways financial  
19 institutions in North Carolina can best work cooperatively with community  
20 organizations, local governments, and the State to increase the capacity of financial  
21 institutions to do developmental lending that strengthens low and moderate income  
22 communities, in accord with safe and sound lending practices. The study, if undertaken,  
23 shall include an identification of any unmet credit needs in low and moderate income

1 communities, ways financial institutions can increase their capacity in the areas of risk  
2 management, marketing, staff expertise, liquidity, private partnerships, and public  
3 partnerships, and what the State and local governments can do to support the role of  
4 financial institutions in these areas.

5           Sec. 2. In conducting its study, the Commission may create a Joint Steering  
6 Committee consisting of the cochairs of the study committee created under Section 1 of  
7 this act and one representative from each of the following: the North Carolina Bankers  
8 Association, the North Carolina Legal Services Resource Center, the Alliance of  
9 Community Financial Institutions, and the Community Reinvestment Association of  
10 North Carolina. The Joint Steering Committee may hold a series of six meetings across  
11 the State to solicit input from local financial institutions, community based development  
12 organizations, and local governments. Necessary professional and clerical assistance  
13 for the six meetings may be provided by the Legislative Services Office.

14           Sec. 3. If the study authorized in Section 1 of this act is conducted, the  
15 Commission may make an interim report to the 1991 General Assembly, 1992 Regular  
16 Session, and shall make a final report to the 1993 Session of the General Assembly.

17           Sec. 4. This act is effective upon ratification.